

Ms. Susan White Mining Program Coordinator Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801 JUN 2 0 2005

DIV. OF OIL, GAS & MINING

Re: Reclamation Contract, SUMMO USA Corp., Lisbon Valley Mine, M/037/088, Juan County, Utah

Dear Ms. White:

The Lisbon Valley Mining Company LLC (LVMC) respectfully submits this mine plan amendment in response to your June correspondence. The objective of our response is to resolve issues pertaining to disturbances conducted outside the project boundaries, and finalize the 2005 Reclamation Contract. Our response includes water supply pipeline installation and reclamation specifications along with a revised Reclamation Contract.

The planned southern pipeline alignment (the Southern Alignment) will transmit water from three "down-valley" production wells, namely PW-5, PW-6, and PW-7. As noted in your letter, some of the drilling and pipeline disturbance will occur in Section 6, T31S, R26E, SLBM. This section is located outside the project boundary.

The planned Southern Alignment specifications are detailed on two attachments. The first attachment, entitled Southern Alignment Piping System Layout, includes well locations, pipeline route, and installation specifications. This figure is plotted on a mine coordinates basemap for LVMC use. The second attachment, entitled Existing and Remaining 2005 Disturbance Area, includes well locations and pipeline route. This figure is plotted on a SLBM basemap, and replaces Attachment C of the Current (May 2005) Reclamation Contract.

The Southern Alignment piping will be installed three feet below grade, and compacted six feet below road crossings. The maximum area of disturbance is approximately 1.5 acres. This estimate is based on a five-foot trench width. Approximately 25% of the route is staked on existing roads or previously disturbed land. Therefore the disturbance area estimate is conservative.

The water line routes and staging areas will be cleaned and reclaimed. All equipment, parts, and litter will be removed. All disturbed areas will be raked, or harrowed and seeded depending on location. We do not anticipate felling trees, however some limb removal will be required on the

¹ Utah Division of Oil, Gas & Mining 2005. Reclamation Contract SUMMO USA Corp., Lisbon Valley Mine, M/037/088, San Juan County, Utah. 6 June 2005.

north end of the pipeline in Section 35. Limbs, if removed, will be placed in previously entrenched areas to reduce erosion.

The Southern Alignment avoids cultural and historic resources. Recent cultural surveys have been conducted at the location of PW-7 and the common pipeline. All eligible sites have been flagged or fenced along the Southern Alignment both inside and outside the project boundaries.

In May, the BLM expedited a Determination of NEPA Adequacy (DNA) for drilling at PW-7. An additional DNA for the PW-7 pipeline is in progress.²

A revised Reclamation Contract is attached. The revisions clarify the legal description and percentage of areal disturbance relative to the bond.

We appreciate the Division's attention to this matter. Please call Lantz Indergard at (435) 259-2649, or (435) 686-9950 (ext.226) if you have any questions.

Sincerely,

L'Antz M Muergaru P.U.

LVMC Environmental Engineer

² BLM 2005. Personal communication with Frank Bain. 14 June 2005.

